

105TH CONGRESS  
1ST SESSION

# H. R. 382

To amend the Internal Revenue Code of 1986 to allow a deduction for the payment of postsecondary education expenses.

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IN THE HOUSE OF REPRESENTATIVES

JANUARY 9, 1997

Mr. ACKERMAN introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to allow a deduction for the payment of postsecondary education expenses.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. DEDUCTION FOR POSTSECONDARY EDUCATION**  
4       **EXPENSES.**

5       (a) DEDUCTION ALLOWED.—Part VII of subchapter  
6       B of chapter 1 of the Internal Revenue Code of 1986 (re-  
7       lating to additional itemized deductions for individuals) is  
8       amended by redesignating section 221 as section 222 and  
9       by inserting after section 220 the following new section:

1 **“SEC. 221. POSTSECONDARY EDUCATION EXPENSES.**

2       “(a) ALLOWANCE OF DEDUCTION.—In the case of an  
3 individual, there shall be allowed as a deduction an  
4 amount equal to the qualified postsecondary education ex-  
5 penses paid by the taxpayer during the taxable year.

6       “(b) DOLLAR LIMITATIONS.—

7               “(1) PER STUDENT.—The aggregate payments  
8 during the taxable year for the qualified postsecond-  
9 ary education expenses of each individual which may  
10 be taken into account under subsection (a) shall not  
11 exceed \$10,000.

12               “(2) PER TAXPAYER.—The amount allowed as  
13 a deduction under subsection (a) for the taxable year  
14 shall not exceed \$20,000.

15       “(c) DEFINITIONS.—For purposes of this section—

16               “(1) QUALIFIED POSTSECONDARY EDUCATION  
17 EXPENSES.—The term ‘qualified postsecondary edu-  
18 cation expenses’ means qualified tuition and related  
19 expenses of—

20                       “(A) the taxpayer, or

21                       “(B) an individual who is the spouse, or a  
22 dependent, of the taxpayer for the taxable year  
23 in which such expenses are incurred,  
24 for attendance at an eligible educational institution.

1           “(2) QUALIFIED TUITION AND RELATED EX-  
2           PENSES.—The term ‘qualified tuition and related ex-  
3           penses’ means—

4                   “(A) tuition and fees required for enroll-  
5                   ment or attendance at an eligible educational  
6                   institution,

7                   “(B) fees, books, supplies, and equipment  
8                   required for courses of instruction at such an  
9                   institution, and

10                   “(C) reasonable living expenses while away  
11                   from home.

12           Such term shall not include expenses which are  
13           treated as not described in section 135(c)(2)(A) by  
14           reason of section 135(c)(2)(B).

15           “(3) ELIGIBLE EDUCATIONAL INSTITUTION.—  
16           The term ‘eligible educational institution’ has the  
17           meaning given to such term by section 135(c)(3).

18           “(d) COORDINATION WITH OTHER PROVISIONS.—

19                   “(1) NO DOUBLE BENEFIT.—

20                   “(A) IN GENERAL.—No deduction shall be  
21                   allowed under subsection (a) for qualified post-  
22                   secondary education expenses with respect to  
23                   which a deduction is allowed under any other  
24                   provision of this chapter.

1           “(B) SAVINGS BOND EXCLUSION.—A de-  
2           duction shall be allowed under subsection (a)  
3           for qualified postsecondary education expenses  
4           only to the extent the amount of such expenses  
5           exceeds the amount excludable under section  
6           135 for the taxable year.

7           “(e) SPECIAL RULES.—

8           “(1) ADJUSTMENT FOR CERTAIN SCHOLAR-  
9           SHIPS AND VETERANS BENEFITS.—The amounts  
10          otherwise taken into account under subsection (a) as  
11          qualified postsecondary education expenses of any  
12          individual shall be reduced (before the application of  
13          subsection (b)) by the sum of the amounts referred  
14          to in section 135(d)(1) which are received with re-  
15          spect to such individual for the taxable year.

16          “(2) ELIGIBLE COURSES.—Amounts paid for  
17          qualified postsecondary education expenses of any  
18          individual shall be taken into account under sub-  
19          section (a) only to the extent such expenses are at-  
20          tributable to courses of instruction for which credit  
21          is allowed toward a degree by an institution of high-  
22          er education or toward a certificate of required  
23          course work at a vocational school.

24          “(3) INDIVIDUAL MUST BE AT LEAST A HALF-  
25          TIME STUDENT.—No deduction shall be allowed

under subsection (a) for amounts paid during the taxable year for qualified postsecondary education expenses with respect to any individual unless that individual, during any 4 calendar months during the calendar year in which the taxable year of the taxpayer begins, is at least a half-time student at an eligible education institution.

“(4) TAXPAYER WHO IS DEPENDENT OF ANOTHER TAXPAYER.—No deduction shall be allowed to a taxpayer under subsection (a) for amount paid for the education of such taxpayer if such taxpayer is a dependent of another person for a taxable year beginning in the calendar year in which the taxable year of the taxpayer begins.

“(5) SPOUSE.—No deduction shall be allowed under subsection (a) for amounts paid during the taxable year for qualified postsecondary education expenses for the spouse of the taxpayer unless—

“(A) the taxpayer is entitled to an exemption for his spouse under section 151(b) for the taxable year, or

“(B) the taxpayer files a joint return with his spouse for the taxable year.”

(b) DEDUCTION ALLOWED IN COMPUTING ADJUSTED GROSS INCOME.—Section 62(a) of such Code is

1 amended by inserting after paragraph (16) the following  
2 new paragraph:

3           “(17) POSTSECONDARY EDUCATION EX-  
4 PENSES.—The deduction allowed by section 221.”

5       (c) CONFORMING AMENDMENT.—The table of sec-  
6 tions for part VII of subchapter B of chapter 1 of such  
7 Code is amended by striking the item relating to section  
8 221 and inserting:

          “Sec. 221. Postsecondary education expenses.  
          “Sec. 222. Cross reference.”

9       (d) EFFECTIVE DATES.—The amendments made by  
10 this section shall apply to taxable years beginning after  
11 December 31, 1996.

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